

Proposed Title: Banking Sector FY25 Review

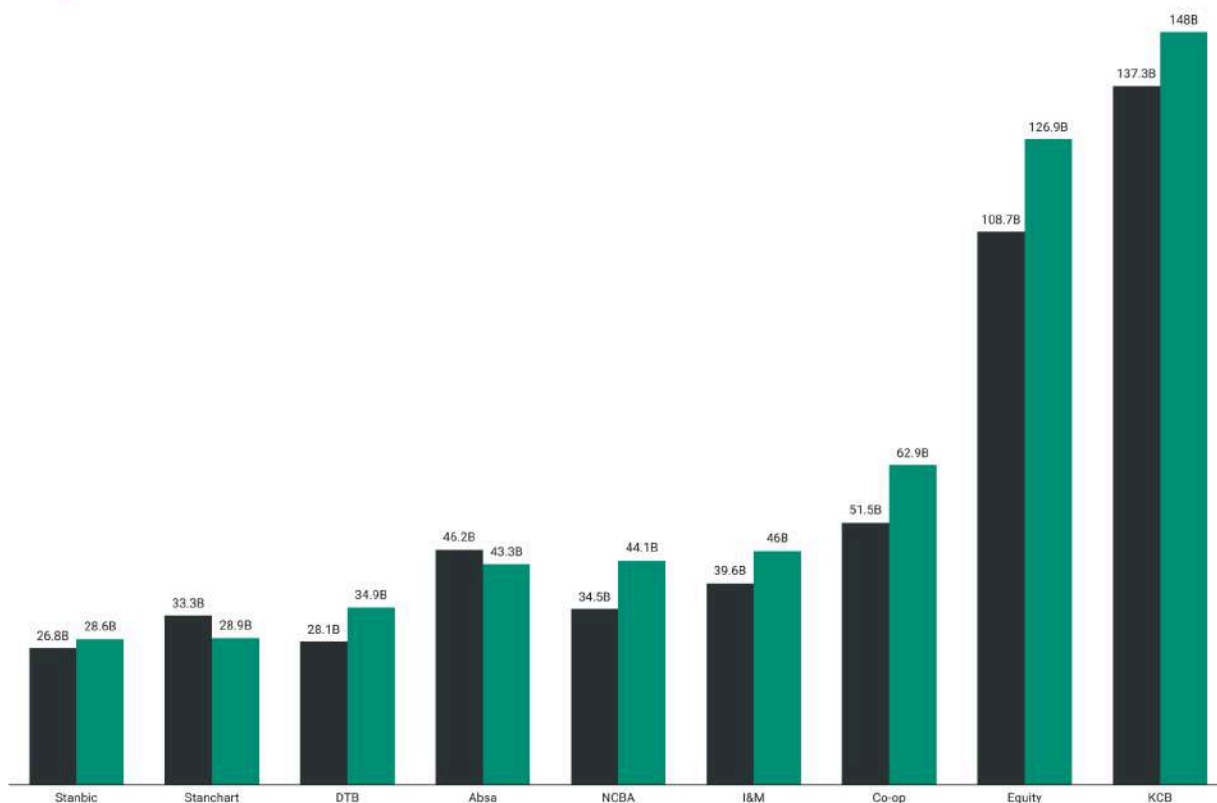
In this week's newsletter, we cover FY2025 results from the banking sector, Jubilee Holdings' earnings, and the CBK's latest rate decision.

Review of Kenyan Banks' Performance in FY 2025

Falling Interest Expenses Support Earnings: Kenyan banks posted mixed net interest income growth in FY 2025, with most lenders recording solid gains even as interest rates declined following CBR rate cuts. KCB Group retained the largest net interest income in absolute terms at KES 148.0B, up 7.77% year on year, while Equity Group followed at KES 126.9B, growing 16.77%. NCBA posted the strongest growth at 27.70% to KES 44.1B, followed by DTB at 24.15% to KES 34.9B and Co-op Bank at 21.99% to KES 62.9B. Absa and Standard Chartered bucked the trend, recording declines of 6.36% and 13.15% to KES 43.3B and KES 28.9B, respectively. The decrease in interest income across the sector is partly attributable to lower interest rates, as lenders priced in CBR rate cuts during the period.

Net Interest Income Across Kenyan Banks (KES)

■ 2024 ■ 2025



Interest expenses fell sharply across all banks in FY 2025, reflecting the easing interest rate environment. Stanbic Kenya and NCBA recorded the steepest declines, with interest expenses dropping 42.12% to KES 14.7B and 41.58% to KES 24.1B, respectively. Standard Chartered followed with a 29.10% reduction to KES 3.9B, while Equity Group and Absa saw expenses fall 24.16% to KES 46.7B and 22.24% to KES 14.4B respectively. KCB Group recorded the most modest decline at 18.87%, with interest expenses falling to KES 61.7B.

Interest Expenses Across Kenyan Banks (KES)

■ 2024 ■ 2025

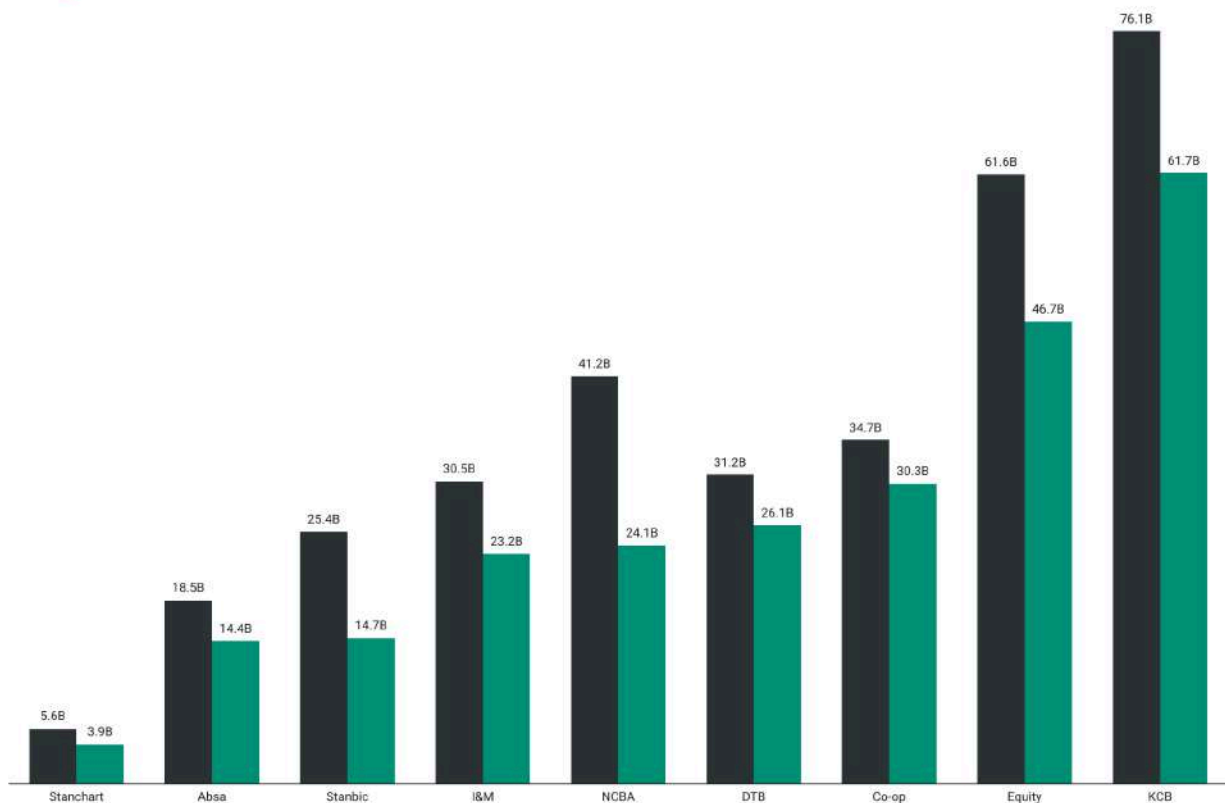


Chart: @MwangoCapital • Source: Company Financials • Created with Datawrapper

Profit After Tax: Kenyan banks delivered solid profit growth in FY 2025, with most lenders posting double-digit earnings gains. Equity Group led the sector with a 54.74% surge in net profit to KES 75.5B, overtaking KCB Group, which grew a more modest 10.65% to KES 68.4B. Co-op Bank and Absa recorded strong growth of 16.88% and 9.70% to KES 29.8B and KES 22.9B, respectively, while NCBA posted a 6.99% increase to KES 23.4B. Standard Chartered was the only bank to record a decline, with net profit falling 38.00% to KES 12.4B, partly reversing the exceptional

gains posted in FY 2024.

Profit After Tax Across Kenyan Banks (KES)

■ 2024 ■ 2025

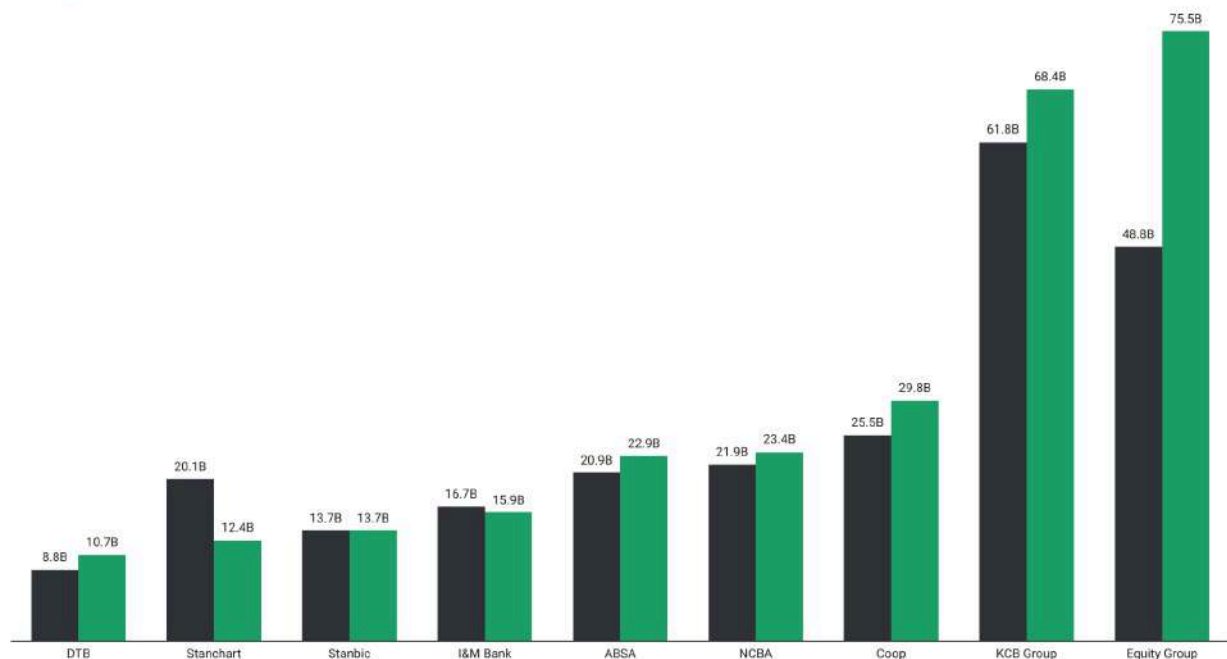


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Loan Book Growth: Kenyan banks staged a broad recovery in lending in FY 2025, reversing the contraction recorded in FY 2024 as credit demand picked up and the impact of shilling appreciation on regional loan valuations eased. KCB Group retained the largest loan book in the sector, growing 16.27% to KES 1.15T, while Equity Group expanded its book by 7.72% to KES 882.5B. Co-op Bank recorded strong growth of 12.65% to KES 421.0B, while DTB and Stanbic posted the most notable expansions, growing 13.62% to KES 324.2B and 17.24% to KES 270.0B, respectively.

NCBA and Absa recorded more modest growth of 5.00% and 1.00% to KES 317.2B and KES 312.2B, respectively, while I&M Bank grew 6.67% to KES 306.3B. Standard Chartered posted the slowest growth in the sector at 1.75% to KES 154.3B, though all lenders without exception expanded their loan books during the period, marking a

clean turnaround from the across-the-board declines of FY 2024.

Loans & Advances Across Kenyan Banks (KES)

■ 2024 ■ 2025

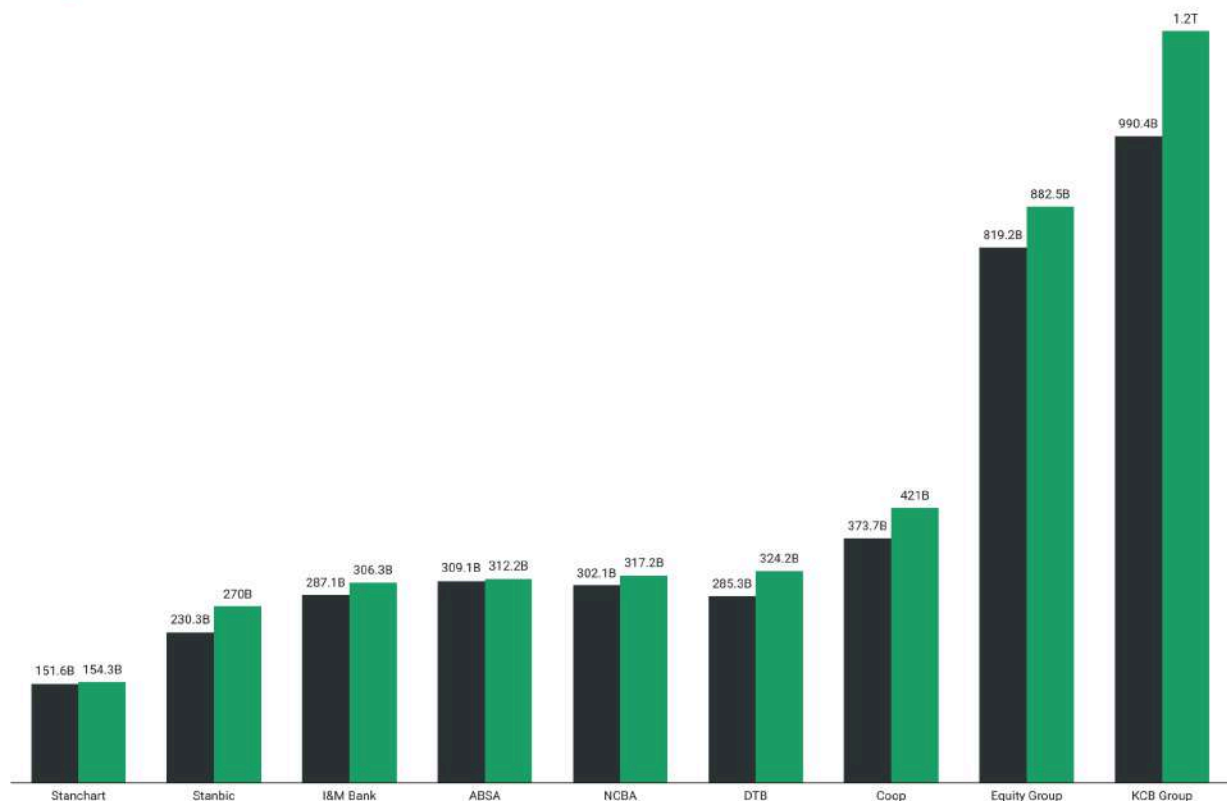


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Gross Non-Performing Loans: Tier one banks recorded an improvement in asset quality in FY 2025, with most lenders reporting a decline in gross non-performing loans, continuing a trend of balance sheet cleanup that began in FY 2024. KCB Group retained the largest stock of NPLs in the sector, though it reduced its position by 6.13% to KES 211.8B, while Equity Group trimmed its NPLs by 9.75% to KES 110.1B. Absa, NCBA, Standard Chartered, and I&M Bank all recorded meaningful reductions, with declines of 8.38%, 3.56%, 26.50%, and 11.48% to KES 38.9B, KES 35.8B, KES 8.8B, and KES 31.4B respectively.

Co-op Bank and DTB bucked the trend, with NPLs rising 3.44% and 3.22% to KES 73.5B and KES 39.1B respectively, while Stanbic Kenya saw a marginal increase of 2.91% to KES 23.3B. The broader sector trend points to improving credit quality, with the CBK's Monetary Policy Committee noting in February 2026 that the ratio of gross NPLs to gross loans declined to 15.5% in January 2026, down from 16.7% in October 2025 and 17.6% in August 2025. The MPC attributed the improvement to declining NPLs in the real estate, manufacturing, trade, building and construction, and personal and household sectors.

Gross Non-Performing Loans Across Kenyan Banks (KES)

■ 2024 ■ 2025

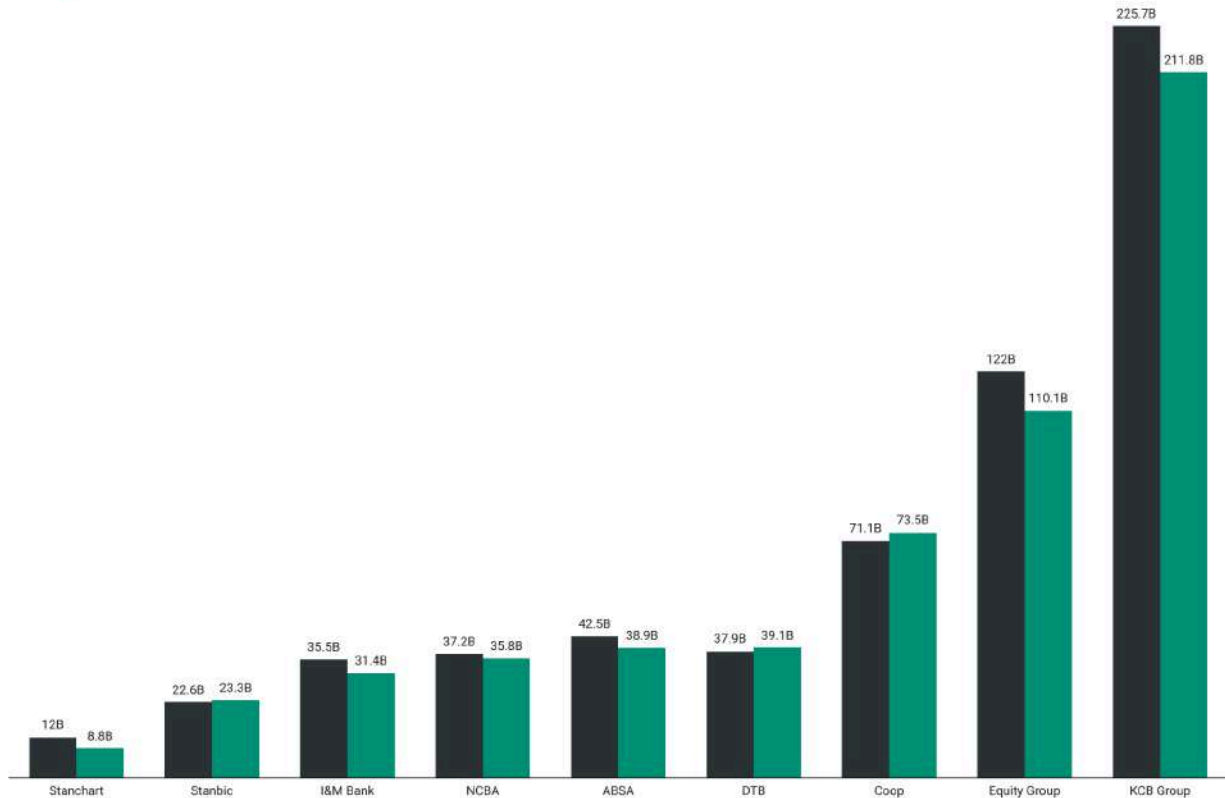


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Loan Loss Provisions: Tier one banks posted mixed movements in loan loss provisions in FY 2025, reflecting diverging views on credit risk across the sector. KCB Group maintained the highest stock of provisions, edging up 8.23% to KES 32.4B, while Equity Group made the steepest cut, reducing provisions by 28.18% to KES 14.5B, consistent with the improvement in its NPL position. NCBA and I&M Bank increased their provisions by 46.27% and 11.15% to KES 8.0B and KES 8.7B respectively, while DTB and Co-op Bank also raised provisions modestly by 14.24% and 9.23% to KES 10.0B and KES 9.5B.

Absa and Standard Chartered moved in the opposite direction, cutting provisions by 31.84% and 16.27% to KES 6.2B and KES 2.0B respectively, while Stanbic Kenya

reduced its provisions by 42.69% to KES 2.0B.

Loan Loss Provisions Across Kenyan Banks (KES)

■ 2024 ■ 2025

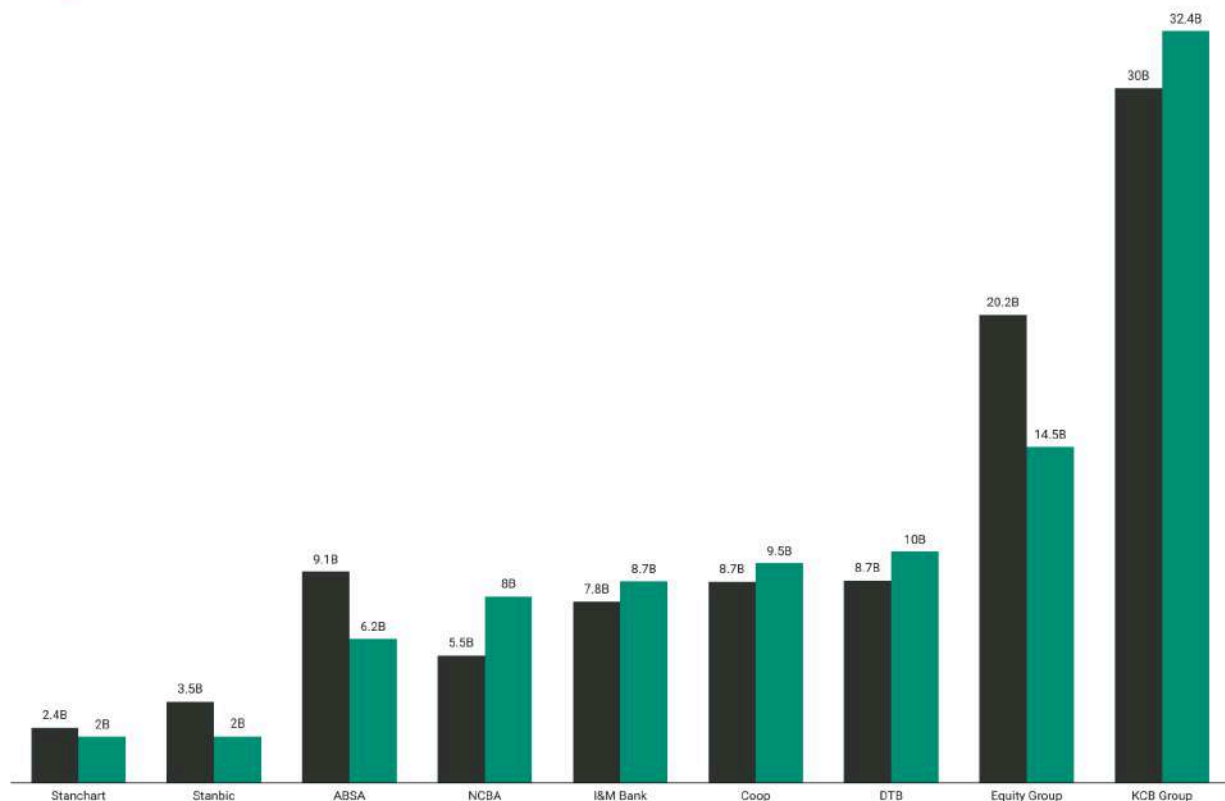


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Dividends: Kenyan-listed banks delivered strong and largely broad-based dividend growth in FY 2025, with dividend yields mostly ranging between 7% and 9% and payout ratios varying widely from 19% to 95%.

Co-op Bank posted the highest year-on-year dividend growth, more than doubling its payout by 66.67% to KES 2.50 per share, while Equity Group raised its dividend by 35.29% to KES 5.75 per share. KCB Group declared KES 4.00 per share, a 33.33% increase from FY 2024, though the bank also announced a special dividend of KES 3.00, bringing total distributions to KES 7.00 per share, equivalent to a 133% increase and a yield of 9.7% based on its share price of KES 70.50.

Standard Chartered was the notable exception, cutting its dividend by 31.11% to KES 31.00 per share following an exceptionally high payout of KES 45.00 in FY 2024. Despite the reduction, Stanchart retained the highest dividend yield in the sector at 9.4%, underpinned by a payout ratio of 95.4%, the highest among listed peers. Stanbic Kenya recorded the most modest growth, with its dividend rising 7.76% to KES 22.35 per share.

On yield, Co-op Bank, Stanbic, Equity, and NCBA offered attractive returns in the 8%–9% range, with payout ratios of around 50%–65%. KCB and DTB carried lower yields of 5.7% and 5.9% respectively, with conservative payout ratios of 19% and 27%. Absa and I&M sat in the mid-range, with yields of 6.9% and 7.6% and payout ratios of around 35%–49%.

Dividends Tracker for Listed Kenyan Banks in FY 2025										
Bank/Year	2021	2022	2023	2024	2025	2025 YoY Div Change	Share Price	Dividend Yield	EPS	Core Payout Ratio
							Wed, 25 Mar 2026		FY 25	FY 25
Absa Kenya	1.10	1.35	1.55	1.75	2.05	17.14%	29.65	6.9%	4.22	48.6%
Co-op Bank	1.00	1.50	1.50	1.50	2.50	66.67%	28.75	8.7%	5.04	49.6%
DTB Group	3.00	5.00	6.00	7.00	9.00	28.57%	152.25	5.9%	33.65	26.7%
Equity Group	3.00	4.00	4.00	4.25	5.75	35.29%	71	8.1%	19.1	30.1%
I&M Group	1.50	2.25	2.55	3.00	3.75	25.00%	49.45	7.6%	10.79	34.8%
KCB Group	3.00	2.00	0.00	3.00	4.00	33.33%	70.5	5.7%	20.8	19.2%
					<small>*Special dividend of KES 3</small>	<small>*133% when incl special div</small>		<small>*9.7% when incl special div</small>		<small>*33.7% when incl special div</small>
NCBA Group	3.00	4.25	4.75	5.50	7.10	29.09%	89	8.0%	14.2	50.0%
Stanbic Kenya	9.00	12.60	15.35	20.74	22.35	7.76%	260	8.6%	34.7	64.4%
Stanchart Kenya	19.00	22.00	29.00	45.00	31.00	-31.11%	328.75	9.4%	32.5	95.4%

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Markets in Brief

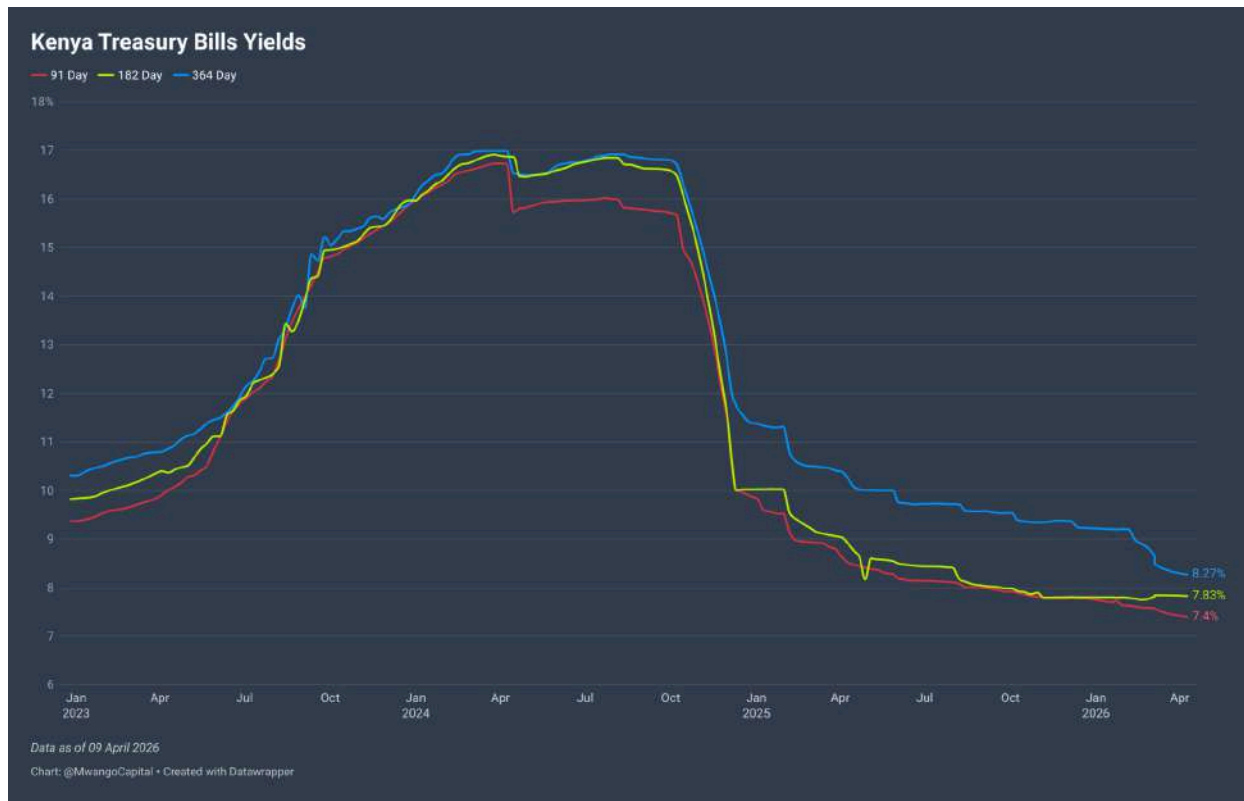
NSE Week 15 Highlights: The Nairobi Securities Exchange rebounded in Week 15, with the NSE All Share Index rising 3.93% to close at 207.1. Kenya Airways led the top gainers with a 25.9% rally to KES 6.90, while EA Portland Cement recorded the steepest decline, falling 7.9% to KES 75.50. Equity turnover edged up 1.2% to KES 2.77B, while bond turnover fell 9.7% to KES 53.20B. The market's total capitalisation expanded 3.89% to KES 3.43T, with local investor participation at 64.94% (KES 1.80B) compared to foreign investors at 35.06% (KES 0.97B). Foreign investors posted a net

outflow of KES 940.1M for the week.

The Mwango Capital Weekly Market Wrap					
Week 15 (2 to 10 April 2026)					
NSE Top Gainers & Losers in Week 15					
Top Gainers					
Company	Ticker	2 Apr	10 Apr	Change (%)	YTD %
Kenya Airways Limited	KQ	5.48	6.90	25.9%	95.47%
TPS EA Serona	TPSE	15.25	16.55	8.5%	12.59%
Shri Krishana Overseas Ltd	SKL	8.76	9.48	8.0%	15.93%
Total Kenya Limited	TOTL	39.95	43.10	7.9%	11.80%
Sasvi Tea and Coffee	SASN	25.25	27.20	7.7%	52.38%
Top Losers					
Company	Ticker	2 Apr	10 Apr	Change (%)	YTD %
EA Portland Cement Co.	PORT	82.00	75.50	-7.9%	-2.72%
Standard Group Limited	SGL	6.28	6.05	-3.5%	0.33%
Kakaci Limited	KKAZ	425.25	412.50	-3.0%	-2.61%
ScanGroup Limited	SCAN	2.36	2.30	-2.5%	-9.66%
Hemo Africa Limited	HAFR	1.47	1.44	-2.0%	7.46%
NSE Upcoming Corporate Actions					
Date	Corporate	Corporate Action			
15 April 2026	I&M	Final Div Books Closure (KES 2.25)			
30 April 2026	Abca	Final Div Books Closure (KES 1.85)			
30 April 2026	EABL	Interim Div. Payment (KES 4.00)			
30 April 2026	SCBK	Final Div Books Closure (KES 23.0)			
30 April 2026	NCBA	Final Div Books Closure (KES 4.60)			
8 May 2026	BAT	Final Div Books Closure (KES 60)			
15 May 2026	Starbk	Final Div Books Closure (KES 18.55)			
19 May 2026	Abca	Final Div Payment (KES 1.85)			
21 May 2026	NSE	Final Div Books Closure (KES 1.00)			
21 May 2026	SCBK	Final Div Payment (KES 23.00)			
21 May 2026	I&M	Final Div Payment (KES 2.25)			
The NSE This Week					
		Week 14	Week 15	Change (%)	YTD %
NSE All Share Index	NASI	195.3	207.1	3.93%	11.00%
NSE 20 Share Index	NSE 20	3,479.7	3,590.3	3.18%	14.37%
NSE 10 Share Index	NSE 10	2,072.1	2,170.7	4.76%	10.46%
NSE 25 Share Index	NSE 25	5,523.0	5,742.7	3.98%	12.67%
Banking Sector Index	Banking Index	238.6	238.86	4.49%	17.29%
Market Cap (KES B)	CAP	3,304.5	3,432.9	3.89%	16.59%
Volume (M)		94.1	89.5	-4.8%	
Equity Turnover (Kes. Mn)		2,735.00	2,768.00	1.2%	
Bond Turnover (Kes. Mn)		56,919.45	53,200.50	-5.7%	
NSE Foreign Participation in Week 15					
KES (M)	Buya	Sales	Net		
Mon, 30 Mar 2026	0.0	0.0	0.0		
Tue, 31 Mar 2026	265.5	174.2	31.4		
Wed, 1 Apr 2026	127.9	489.6	361.7		
Thu, 2 Apr 2026	63.1	597.8	534.7		
Fri, 3 Apr 2026	104.2	179.3	-75.1		
Totals	500.7	1,440.8	940.1		
Domestic Debt					
9 Apr Offering (KES B)	Offered	Bids Received	Accepted	% Accepted	% performance
91-Day	4.00	7.98	7.96	99.80%	199.43%
182-Day	10.00	10.85	10.85	100.00%	108.53%
364-Day	10.00	5.72	5.72	99.91%	57.20%
Eurobond Yields					
KES (M)	2-Apr	8-Apr	7D Change (bps)		
10-Year 2028	7.82%	7.53%	-29.0		
6-Year 2031	8.92%	8.46%	-46.0		
12-Year 2032	8.86%	8.30%	-56.0		
13-Year 2034	9.33%	8.69%	-66.0		
30-Year 2048	9.57%	9.15%	-42.0		
Domestic Debt (continued)					
T-Bill Yield (%)	2 Apr	9 Apr	Change (bps)		
91-Day	7.40	7.40	0.0		
182-Day	7.83	7.83	-0.1		
364-Day	8.28	8.27	-0.8		
Sources: NSE, Central Bank of Kenya					
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Treasury Bills: Treasury bills were marginally oversubscribed in the latest auction at 102.3%, with KES 24.55B in bids received against KES 24.0B on offer and KES 24.53B accepted. The 91-day bill closed at a weighted average rate of 7.4000%, the 182-day


bill at 7.8293%, and the 364-day bill at 8.2700%.

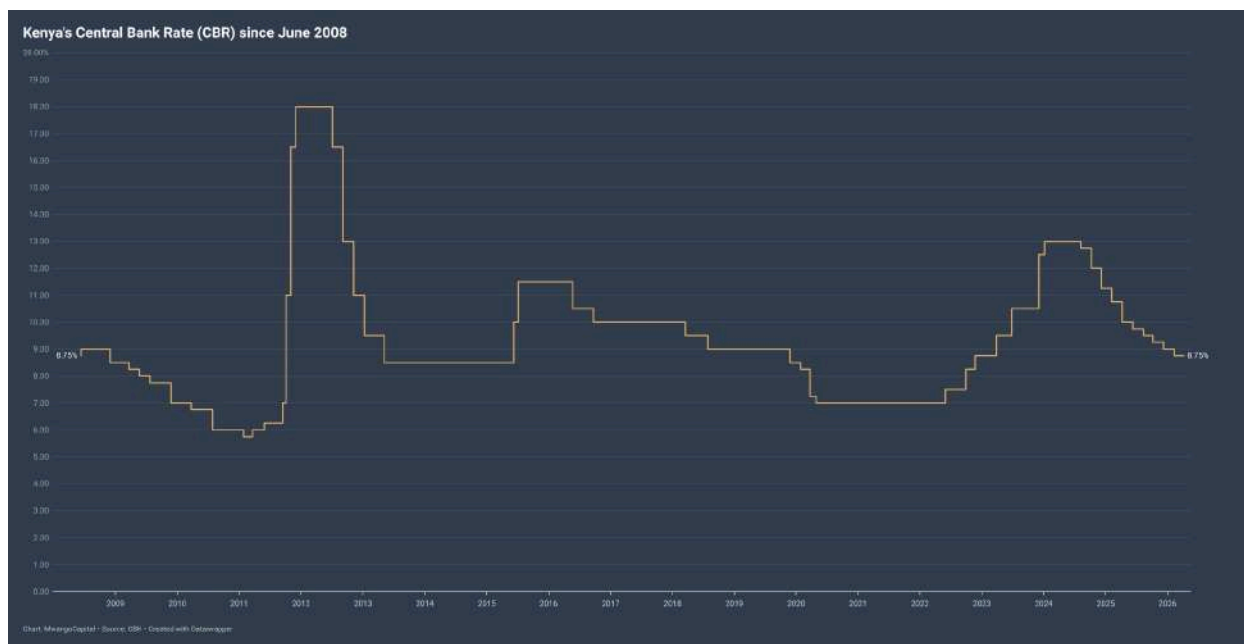



Treasury Bonds: The Central Bank of Kenya is offering two 30-year treasury bonds in an auction closing 15 April 2026, targeting KES 20B for budgetary support. The first is a reopening of SDB1/2011/030, which carries a 12.0% coupon and has 14.9 years remaining to maturity, due January 2041. The second is a new issue, FXD1/2026/030, with a 12.5% coupon and a full 30-year tenor maturing March 2056. Both are subject to 10% withholding tax, with settlement on 20 April 2026 and secondary trading commencing the same date. Non-competitive bids are accepted between KES 50,000 and KES 50M, while competitive bids require a minimum of KES 2M per CSD account per tenor.

Eurobonds: Kenya's Eurobond yield curve recorded an average week-on-week increase of 18.5 bps in the week ending 27 March 2026. The largest increases were at KENINT 2028, which rose 73.30 bps to 7.609%, KENINT 2027, up 33.30 bps to 7.075%, and KENINT 2031, up 23.20 bps to 8.973%.

Market Gleanings

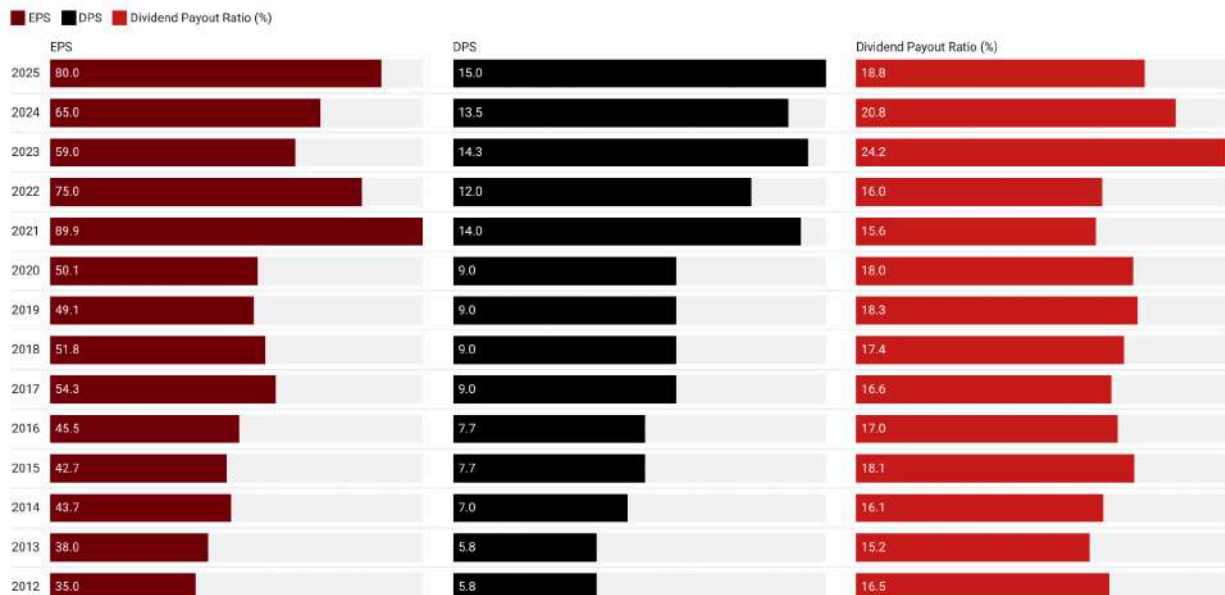
 **CBK Holds Rate at 8.75% as Middle East Risks Cloud Outlook** | The Monetary Policy Committee held the Central Bank Rate steady at [8.75%](#), citing the need to keep inflation expectations anchored and the exchange rate stable amid rising global uncertainty linked to the Middle East conflict. Inflation remained within the target band at 3.6% in March 2026, though the MPC flagged risks from higher international oil prices and their potential second-round effects. The current account deficit widened to 2.4% of GDP in the 12 months to February 2026 from 1.3% a year prior, driven by a higher trade deficit, and is projected to widen further to 3.0% of GDP in 2026. On the domestic front, private sector credit growth improved to 8.1% in March 2026 from 7.4% in February, while average lending rates eased to 14.7% from a high of 17.2% in November 2024. The gross NPL ratio edged up slightly to 15.6% from 15.4% in December 2025, though it remains well below the 17.6% peak recorded in August 2025. Foreign exchange reserves stood at USD 13.4B, equivalent to 5.68 months of import cover. The MPC meets next in June 2026.



 **Jubilee Holdings Posts 18% Profit Growth** | Jubilee Holdings closed FY2025 with profit after tax up 17.6% to [KES 5.55B](#), supported by an 18% rise in gross written premiums and deposits to KES 62.4B, driven by double-digit growth across Life and Health lines. Insurance revenue grew 16.5% to KES 29.92B while profit before tax rose 15.4% to KES 7.18B. Total assets expanded 17.6% to KES 251.08B, with investment assets up 19.2% to KES 224.75B. A standout was the asset management unit, where assets under management surged 150% to KES 22.1B. Earnings per share rose 21.2%

to KES 80.00, with the board declaring a total dividend of KES 15.00 per share, up 11.1% year on year. On the challenges side, the health segment faced elevated claims in Kenya and Uganda, particularly within corporate portfolios, prompting corrective pricing and underwriting measures ahead of 2026. The Uganda business, following a Life and Health merger, now ranks first in both segments in that market.

Jubilee Holdings Dividend Track Record (KES)





Note: FY 21, FY 22 and FY 23 include a Special Dividend Per Share of KES 5, KES 3 and KES 2.3 respectively. FY 23 Results have been restated in line with IFRS 17.
 Chart: Mwangi Capital • Source: Company Financials • Created with Datawrapper

🇰🇪 | Competition Authority Warns Oil Marketers Over Alleged Fuel Hoarding | The Competition Authority of Kenya has issued a cautionary [statement](#) warning oil marketing companies against hoarding fuel products or withholding supply from non-franchised petroleum retailers ahead of an anticipated price increase. The Authority noted government indications that certain companies may already be engaging in such conduct, which it says constitutes a prohibited practice under the Competition Act. Firms found to be creating artificial scarcity, manipulating prices, or imposing unfair supply conditions face financial penalties of up to 10% of their preceding year's gross annual turnover, plus potential imprisonment of up to five years or a fine of up to KES 10M upon conviction. The Authority said it will continue to monitor the situation in coordination with the Energy and Petroleum Regulatory Authority.

🇰🇪 | Centum Closes Share Buyback Programme | Centum Investment Company has concluded its share buyback programme, having acquired a total of [10,839,300](#) shares across two programmes, well below the maximum of 65,559,241 shares authorised. The first programme, which ran from February 2023, accounted for 10,688,500 shares,

while the second, which closed on 31 March 2026, added a further 150,800 shares. All acquired shares will be held as treasury shares, bringing the total number of ordinary shares available for trading on the NSE to 644,753,114. Management intends to seek a renewal of the buyback mandate at the upcoming AGM, subject to CMA approval, though it flagged that the current 10% cap above the volume-weighted average price limits execution flexibility in rising price environments.

 | **Court clears EABL sale path** | The High Court has dismissed a petition seeking to block Diageo's [USD 2.3B](#) sale of its 65% stake in East African Breweries Limited to Asahi Group Holdings, removing a key legal overhang linked to a protracted distributor dispute. The ruling materially de-risks execution, clearing a major hurdle for one of Kenya's largest M&A transactions and reinforcing investor visibility on deal closure timelines. Completion in H2 2026 now supports Diageo's balance sheet deleveraging under Dave Lewis while advancing Asahi's emerging markets expansion strategy.

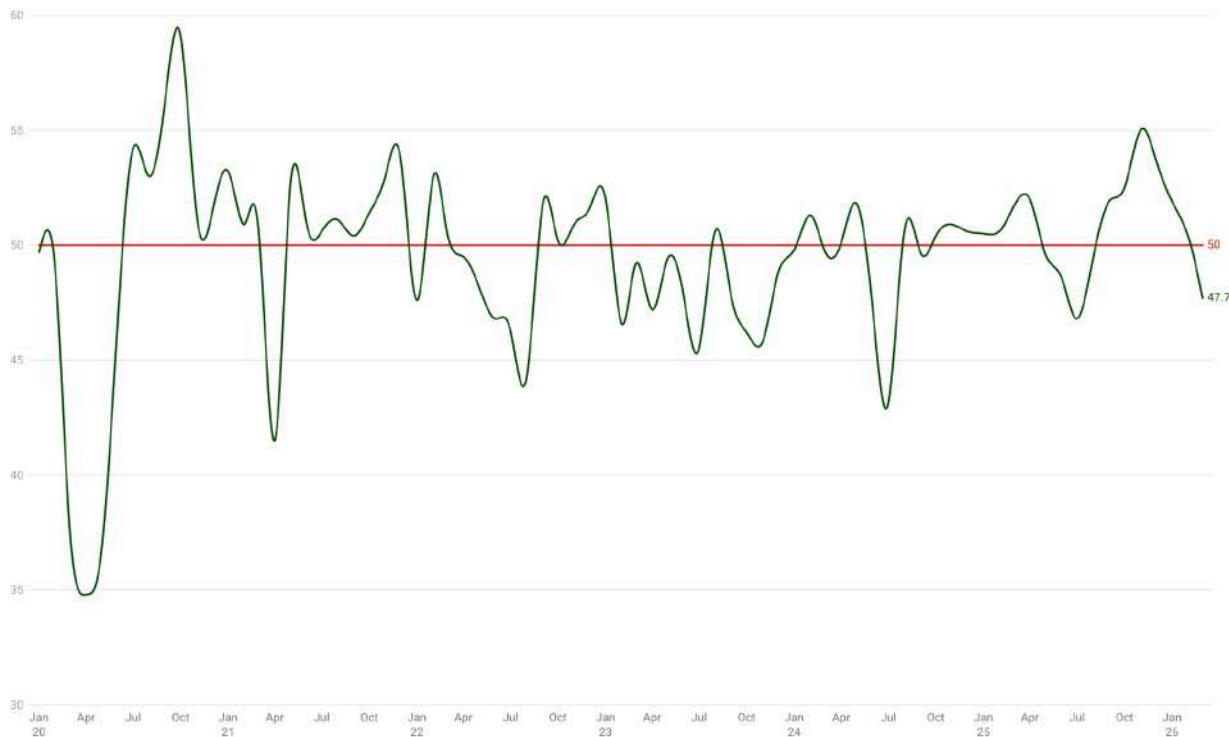
 | **Nigeria's Zenith Bank Acquires Paramount Bank in Kenya Entry** | Nigeria's Zenith Bank has received regulatory [approval](#) to acquire 100% of Paramount Bank Limited, marking the Lagos-headquartered lender's entry into the Kenyan market. The CBK approved the transaction on 9 March 2026, with the Cabinet Secretary for the National Treasury following suit on 16 March 2026. Paramount Bank, which traces its roots to 1993 and operates seven branches across Nairobi, Mombasa, Kisumu, and Eldoret, will form the base for Zenith's Kenyan operations. Zenith, listed on both the Nigerian Stock Exchange and the London Stock Exchange, operates over 450 branches in Nigeria and has a presence across West Africa, the United Kingdom, France, and the UAE.

 | **PMI Drops to 47.7 as Middle East War Weighs on Private Sector** | Kenya's private sector contracted in March for the first time since August 2025, with the Stanbic Bank Kenya Purchasing Managers' Index falling to [47.7](#) from 50.4 in February, marking the fourth consecutive monthly decline. Output and new orders both fell at a solid pace, driven primarily by constrained consumer spending, reduced cash circulation, and the ripple effects of the Middle East conflict on fuel costs, transport, and logistics. Input cost pressures accelerated to their sharpest pace in over two years, though subdued demand prevented firms from fully passing on higher costs to customers. Employment growth softened to its weakest since October 2025, while outstanding business posted its steepest decline in nearly six years. Business optimism, however, held up, with firms pointing to digital sales expansion, new product offerings, and marketing investment as drivers of expected growth in the year

ahead.

Stanbic Bank Kenya PMI

— Index — Threshold



PMI: Purchasing Managers Index

Chart: Mwango Capital - Source: Stanbic Bank - Created with Datawrapper

💰 | **KRA Collects KES 2.038T in Nine Months** | The Kenya Revenue Authority collected [KES 2.038T](#) in the nine months to March 2026, up 7.72% year on year and representing 96.1% of its KES 2.112T target. Growth was broad-based, with domestic taxes up 10.4% to KES 1.301T, customs revenue rising 13.3% to KES 733.7B at 100.9% of target, and agency revenue up 10.7% to KES 204.45B at 101.4% of target. Exchequer collections rose 11.5% to KES 1.834T, achieving 95.5% of target. The results come amid a leadership transition, with the board declining to renew Commissioner General Humphrey Wattanga's contract, sending him on terminal leave with immediate effect. Dr. Lilian Nyawanda, currently Commissioner of Customs and Border Control, has been appointed Acting Commissioner General pending a competitive recruitment process. Wattanga has since been nominated as Kenya's High Commissioner to Pretoria, South Africa.

🚩 | **Nairobi Business Ventures Warns of 25% Earnings Drop** | Nairobi Business Ventures has issued a profit [warning](#), advising that earnings for the year ending 31 March 2026 are expected to fall by at least 25% compared to the prior year. The warning follows an already difficult FY2025, where profit after tax declined 11.1% to KES 32.2M on the back of a sharp 37.3% drop in revenue to KES 508.0M. The board

attributed the anticipated decline to challenging market conditions across its operating segments, adding that measures are being taken to improve operational efficiency and long-term sustainability.

| Ruto Signs Supplementary Budget Into Law Adding KES 393.2B in Spending |

President Ruto has assented to the Supplementary Appropriations Bill No.1 2026, raising total expenditure by [KES 393.2B](#) to KES 4.695T for FY2025/26. The additional spending is split between recurrent expenditure up KES 229.4B and development spending up KES 134.5B. Security received the largest single allocation at KES 60B, followed by KES 25B for the Affordable Housing Programme, KES 24.2B to the Teachers Service Commission for salary shortfalls, KES 10B for a fertilizer subsidy, KES 4B to settle NHIF arrears, KES 2.9B to the IEBC to clear pending legal bills, and KES 2B for compensation of demonstration victims. KRA received an additional KES 17.6B, reflecting the government's broader pivot toward strengthening revenue collection alongside non-tax revenue mobilisation through privatisation and securitisation.

Chart of the Week

Kenya Tier 2 Banks Net Profit in 2025 vs 2024 [KES]

2024 2025

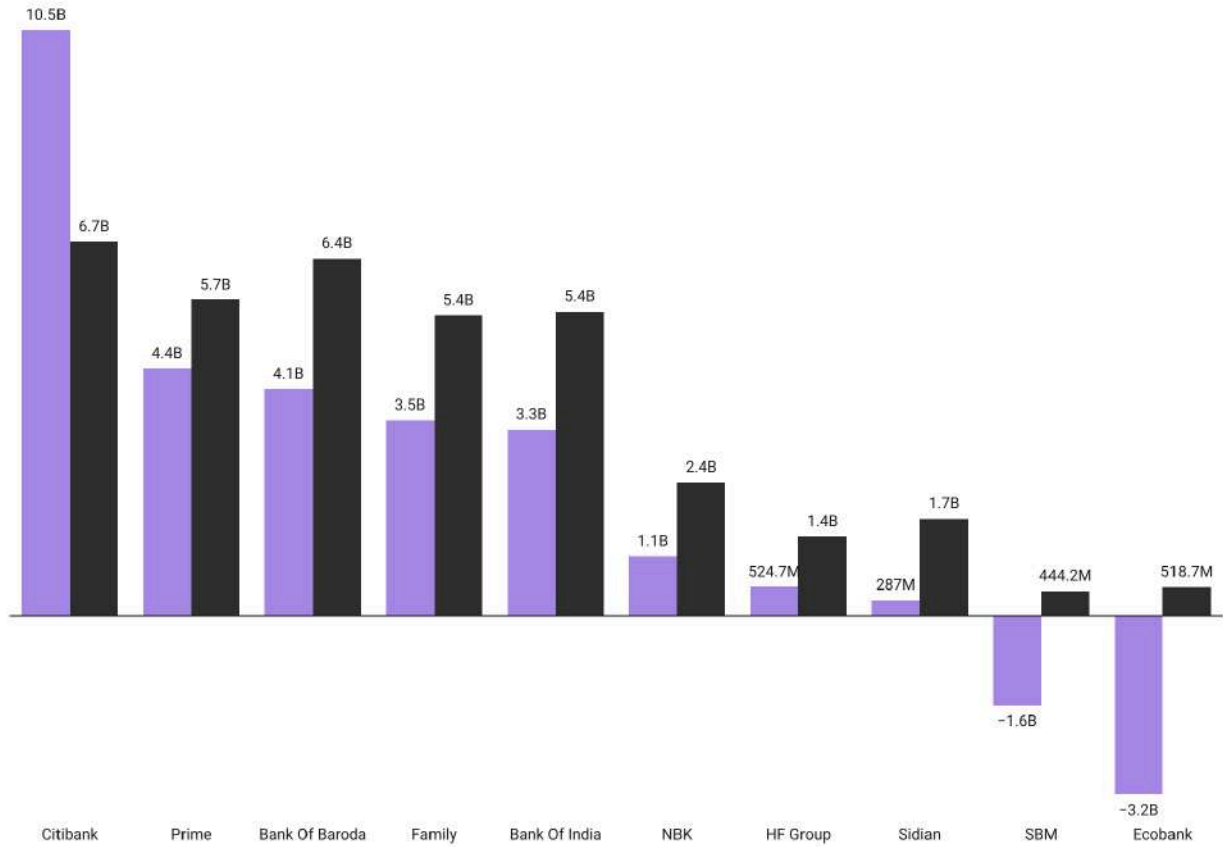


Chart: @MwangoCapital • Source: Bank's financial statements • Created with Datawrapper